

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6179

BILL NUMBER: HB 1241

DATE PREPARED: Feb 11, 2002

BILL AMENDED: Feb 5, 2002

SUBJECT: Natural Resources Matters.

FISCAL ANALYST: Bernadette Bartlett

PHONE NUMBER: 232-9586

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill changes the residency requirements for obtaining Department of Natural Resources (DNR) fish and wildlife licenses or permits. The bill provides that it is a Class C infraction to violate the current statute prohibiting the operation of an off-road vehicle on public property without consent. It changes the fee for Ohio River commercial fishing licenses and gear tags. It also changes the law concerning property damage by wild animals by expanding applicability of the law to (1) the property of other legal entities and public bodies; (2) persons not owning but having an interest in the property; and (3) threatened damage. The DNR director must prescribe the disposition of wild animals taken, killed, or captured under this law. The reporting date for a soil conservation district to certify certain information to the Division of Soil Conservation is changed. The bill permits the State Museum to pay for certain items in advance of receiving those items. It also establishes procedures to be followed when removing human remains from a cemetery. (The introduced version of this bill was approved by the Natural Resources Study Committee.)

For the period July 1, 2002, through June 30, 2003, the bill appropriates \$250,000 to the Natural Resources Reclamation Division Fund from the post-1977 Abandoned Mine Reclamation Fund. For the period April 1, 2002, through June 30, 2003, the bill establishes a reclamation fee of \$0.055 per ton produced for surface coal mining operations; and \$0.03 per ton produced for underground coal mining operations. Beginning July 1, 2003, the bill requires all underground operations to pay a reclamation fee of \$0.02 per ton. The bill eliminates the reclamation fee of \$0.01 per ton produced for underground operations that do not have support facilities in Indiana.

Effective Date: (Amended) April 1, 2002; July 1, 2002.

Explanation of State Expenditures: (Revised) The State Department of Health must obtain certain evidence and send certain notification to the DNR before it can issue written authorization to remove human remains. In certain instances the Department may petition a court to determine whether to waive the consent

requirement. The Department may adopt rules to implement the above. It should be able to absorb any additional costs associated with the implementation of this provision given its current budget.

The State Museum would be able to pay for certain items in advance of receiving those items. This provision would save the Museum from additional administrative steps currently required to receive approval to obtain exhibits. This provision may enable the Museum to obtain exhibits that it might not otherwise be able to obtain.

Explanation of State Revenues: (Revised) Changing the residency requirements for obtaining a DNR fish and wildlife license or permit could increase revenues collected because nonresident fees are higher. The specific impact, however, is indeterminable and will depend on the number of buyers who currently purchase a license or permit as a resident but would have to purchase the license or permit as a nonresident under the proposal.

The bill also changes the fee for Ohio River commercial fishing licenses and gear tags. The fee for a commercial fishing license is increased from \$72 to \$125. The fee for fishing gear tags is decreased from \$21.50 to \$15. If the same number of licenses and tags were sold after the enactment of the proposal, the impact would be as listed below.

Estimated Impact of Changing Commercial Fishing License and Tag Fees		
Current Fee	3-year average # sold/ revenue collected	Revenue Change
License and Gear Tags/\$72	38 permits/ \$2,736	38 permits * by additional \$53 fee = \$2,014
Gear Tags/ \$21.50	23 permits/ \$495	23 permits * by -\$11.50 = -\$149.50
Net Revenue		\$2,163.50

Revenues collected for licenses, permits, and tags are generally deposited in the Fish and Wildlife Fund which is used to finance the operations of the DNR Division of Fish and Wildlife and Division of Law Enforcement. A portion of fees collected for some nonresident licenses are deposited in the Game Bird Habitat Fund and the Deer Research Fund.

For the period April 1, 2002, through June 30, 2003, the bill establishes a reclamation fee of \$0.055 per ton produced by surface coal mining operations and \$0.03 per ton produced by underground coal mining operations. Beginning July 1, 2003, all underground operations must pay a reclamation fee of \$0.02 per ton. The bill eliminates the reclamation fee of \$0.01 per ton produced for underground operations that do not have support facilities in Indiana. The increase in reclamation fees should generate approximately \$660,000 per year. This estimate is based on approximately 28 M tons of coal being mined through surface mines with 8 M mined underground. Revenues are deposited in the Reclamation Fund, which is basically used to finance the operations of the Division of Reclamation within the Department of Natural Resources. (See Background Information below.)

The bill also transfers \$250,000 from the Post-1977 Abandoned Mine Reclamation Fund to the Reclamation Fund. As of January 2002, the Post-1977 Fund had a balance of \$5 M. However, of this amount all but \$1.7 M must be used for site specific purposes. The fund generates approximately \$250,000 per year in interest.

Background Information on Coal Reclamation: Current reclamation fees are \$0.03 per ton for surface mines; \$0.02 per ton for underground mining; and \$0.01 per ton for a mine based in Illinois that has no surface effects in Indiana. Money generated by the reclamation fee is used to support the Title V program. Fifty percent of the Title V program is federally funded with a 50% state match. Revenue is used by the Division of Reclamation to enforce and operate the reclamation program. The Division maintains a staff of about 55, of which 17 are inspectors. The Division inspects coal mines; monitors blasting; processes coal permits; maintains ongoing hydrology studies; and monitors reclamation of mines for bond release.

The bill also provides that it is a Class C infraction to violate the current statute prohibiting the operation of an off-road vehicle on public property without consent. If additional court cases occur, revenue to the State General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class C infraction is \$500 which is deposited in the State General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. Seventy percent of the court fee would be deposited in the State General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures: This bill also allows municipalities to obtain a free nuisance wild animal control permit. Currently only individuals are allowed to obtain a free permit. This provision should have no impact on local expenditures.

Explanation of Local Revenues: The bill provides that it is a Class C infraction to violate the current statute prohibiting the operation of an off-road vehicle on public property without consent. If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Department of Natural Resources and the State Department of Health.

Local Agencies Affected: Soil Conservation Districts, trial courts, and local law enforcement agencies.

Information Sources: Dan Mathis, Legislative Liaison, DNR, 317.233.6904.